

STATE FIRE AND TORNADO FUND
INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2008

	June-08				March-08				December-07				September-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Quarter	Net ROR	Market Value	Allocation	Quarter	Net ROR	Market Value	Allocation	Quarter	Net ROR	Market Value	Allocation	Quarter	Net ROR	FYTD	FY07	Ended	Ended
																	Net	Net	6/30/2008	6/30/2008
																			Net	Net
LARGE CAP DOMESTIC EQUITY																				
<i>Structured Growth</i>																				
Los Angeles Capital	711,784	2.8%	2.8%	4.70%	706,526	2.7%	2.8%	-10.92%	653,886	2.8%	2.8%	-1.51%	814,788	2.8%	2.8%	0.38%	-7.79%	21.84%	7.68%	N/A
Total Structured Growth	711,784	2.8%	2.8%	4.70%	706,526	2.7%	2.8%	-10.92%	653,886	2.8%	2.8%	-1.51%	814,788	2.8%	2.8%	0.38%	-7.79%	21.84%	7.68%	9.56%
Russell 1000 Growth				1.25%				-10.18%				-0.77%				4.21%	-5.96%	19.04%	5.91%	7.32%
<i>Structured Value</i>																				
LSV	627,473	2.4%	2.8%	-6.98%	700,256	2.7%	2.8%	-9.75%	639,661	2.7%	2.8%	-5.55%	794,356	2.7%	2.8%	-0.91%	-21.43%	23.77%	3.81%	11.57%
Russell 1000 Value				-5.31%				-8.72%				-5.80%				-0.24%	-16.78%	21.87%	3.53%	8.92%
<i>Russell 1000 Enhanced Index</i>																				
LA Capital	1,384,803	5.4%	5.6%	1.62%	1,416,322	5.4%	5.6%	-10.22%	1,300,647	5.5%	5.6%	-1.07%	1,622,075	5.6%	5.6%	0.24%	-9.54%	21.27%	6.97%	N/A
Russell 1000				-1.89%				-9.48%				-3.23%				1.98%	-12.36%	20.43%	4.81%	
<i>S&P 500 Enhanced Index</i>																				
Westridge	1,403,805	5.5%	5.6%	-2.37%	1,605,911	6.1%	5.6%	-9.15%	1,457,703	6.1%	5.6%	-3.07%	1,797,676	6.2%	5.6%	2.15%	-12.18%	21.12%	4.98%	N/A
S&P 500				-2.73%				-9.44%				-3.33%				2.03%	-13.12%	20.59%	4.41%	
<i>Index</i>																				
State Street	458,125			-2.27%	523,598			-10.68%	395,674			-5.72%	492,581			-0.66%	-18.24%	21.82%	2.93%	6.64%
Total 130/30	458,125	1.8%	1.9%	-2.27%	523,598	2.0%	1.9%	-10.68%	395,674	1.7%	1.9%	-5.72%	492,581	1.7%	1.9%	-0.66%	-18.24%	21.82%	2.93%	6.64%
S&P 500				-2.73%				-9.44%				-3.33%				2.03%	-13.12%	20.59%	4.41%	7.59%
TOTAL LARGE CAP DOMESTIC EQUITY	4,585,990	17.8%	18.8%	-0.84%	4,952,614	18.8%	18.8%	-9.95%	4,447,571	18.7%	18.8%	-2.85%	5,521,475	19.1%	18.8%	0.62%	-12.71%	21.86%	5.68%	9.31%
S&P 500				-2.73%				-9.44%				-3.33%				2.03%	-13.12%	20.59%	4.41%	7.59%
SMALL CAP DOMESTIC EQUITY																				
<i>Manager-of-Managers</i>																				
SEI	759,045	3.0%	3.1%	-0.80%	837,840	3.2%	3.1%	-11.52%	757,753	3.2%	3.1%	-6.42%	925,769	3.2%	3.1%	-3.74%	-20.93%	18.39%	2.06%	9.10%
Russell 2000 + 200bp				1.09%				-9.43%				-4.09%				-2.60%	-14.48%	18.76%	5.88%	12.50%
<i>Enhanced</i>																				
Research Affiliates	741,439	2.9%	3.1%	-2.98%	836,007	3.2%	3.1%	-6.82%	718,159	3.0%	3.1%	-7.07%	882,681	3.0%	3.1%	N/A	N/A	N/A	N/A	N/A
Russell 2000				0.58%				-9.90%				-4.58%				-3.09%	-16.19%			
TOTAL SMALL CAP DOMESTIC EQUITY	1,500,484	5.8%	6.3%	-1.89%	1,673,847	6.3%	6.3%	-9.24%	1,475,912	6.2%	6.3%	-6.74%	1,808,450	6.2%	6.3%	-5.05%	-21.14%	18.39%	1.97%	9.04%
Russell 2000				0.58%				-9.90%				-4.58%				-3.09%	-16.19%	16.44%	3.79%	10.29%
INTERNATIONAL EQUITY																				
<i>Large Cap - Active</i>																				
Capital Guardian	989,982	3.9%	4.0%	-0.95%	1,078,387	4.1%	4.0%	-10.94%	953,779	4.0%	4.0%	-1.24%	1,172,035	4.0%	4.0%	0.59%	-12.37%	25.99%	12.24%	14.35%
LSV	954,261	3.7%	4.0%	-5.76%	1,016,389	3.8%	4.0%	-12.88%	917,055	3.9%	4.0%	-6.42%	1,189,785	4.1%	4.0%	-3.40%	-25.78%	31.24%	7.37%	N/A
Total Large Cap - Active	1,944,242	7.6%	8.0%	-3.33%	2,094,776	7.9%	8.0%	-11.89%	1,870,834	7.9%	8.0%	-3.83%	2,361,820	8.2%	8.0%	-1.46%	-19.29%	28.57%	9.83%	13.46%
MSCI EAFE - 50% Hedged				-1.47%				-12.04%				-2.19%				0.11%	-15.14%	26.94%	10.93%	14.67%
<i>Small Cap - Value</i>																				
DFA	230,994	0.9%	1.0%	-5.15%	263,205	1.0%	1.0%	-3.63%	226,779	1.0%	1.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Lazard	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	289,037	1.0%	1.0%	-3.92%	N/A	21.03%	N/A	N/A
Total Small Cap Value	230,994	0.9%	1.0%	-5.15%	263,205	1.0%	1.0%	-3.63%	226,779	1.0%	1.0%	-0.64%	289,037	1.0%	1.0%	-3.92%	-12.74%	21.03%	9.30%	17.27%
S&P/Citigroup Broad Market Index < \$2BN				-6.52%				-14.70%				-5.94%				-0.66%	-25.49%	28.58%	7.39%	17.33%
<i>Small Cap - Growth</i>																				
Vanguard	228,002	0.9%	1.0%	-3.90%	256,401	1.0%	1.0%	-8.40%	232,138	1.0%	1.0%	-4.89%	282,856	1.0%	1.0%	-1.48%	-17.52%	31.00%	11.77%	20.18%
Citigroup Broad Market Index < \$2BN				-6.52%				-14.70%				-5.94%				-0.66%	-25.49%	28.58%	7.39%	17.33%
TOTAL INTERNATIONAL EQUITY	2,403,238	9.4%	10.0%	-3.60%	2,614,382	9.9%	10.0%	-10.77%	2,329,751	9.8%	10.0%	-3.99%	2,933,713	10.1%	10.0%	-1.72%	-18.83%	28.02%	9.79%	14.56%
MSCI EAFE - 50% Hedged				-1.47%				-12.04%				-2.19%				0.11%	-15.14%	26.94%	10.93%	14.67%
DOMESTIC FIXED INCOME																				
<i>Core Bond</i>																				
Western Asset	4,367,524	17.0%	17.1%	-0.39%	4,282,853	16.2%	17.1%	-1.03%	4,140,033	17.4%	17.1%	1.63%	4,773,736	16.5%	17.1%	1.87%	2.06%	7.29%	2.76%	3.55%
Lehman Aggregate				-1.02%				2.17%				3.00%				2.84%	7.12%	6.12%	4.09%	3.86%
<i>Mortgage Backed</i>																				
Hyperion	1,010,450	3.9%	4.4%	-10.59%	1,095,402	4.1%	4.4%	-8.07%	1,107,425	4.7%	4.4%	-1.11%	1,299,305	4.5%	4.4%	-1.88%	-20.24%	N/A	N/A	N/A
Lehman Global Aggregate (US Securitized Portion)				-1.34%				4.18%				3.15%				3.88%	10.14%			
<i>Core Plus/Enhanced</i>																				
Clifton Group	1,273,022	5.0%	4.4%	-1.15%	1,290,462	4.9%	4.4%	3.34%	1,206,895	5.1%	4.4%	3.64%	1,347,820	4.7%	4.4%	4.06%	10.17%	5.52%	N/A	N/A
Prudential	1,287,410	5.0%	4.4%	-0.50%	1,255,494	4.8%	4.4%	0.95%	1,157,169	4.9%	4.4%	2.45%	1,312,020	4.5%	4.4%	1.94%	4.89%	N/A	N/A	N/A
Total Core Plus/Enhanced	2,560,432	10.0%	8.8%	-0.83%	2,545,956	9.6%	8.8%	2.17%	2,364,064	10.0%	8.8%	3.05%	2,659,840	9.2%	8.8%	3.00%	7.55%	5.95%	N/A	N/A
Lehman Aggregate				-1.02%				2.17%				3.00%				2.84%	7.12%	6.12%		

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	June-08				March-08				December-07				September-07				Current	Prior Year	3 Years	5 Years
	Allocation		Quarter		Allocation		Quarter		Allocation		Quarter		Allocation		Quarter		FYTD	FY07	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	6/30/2008	6/30/2008
Index																				
Bank of ND	2,201,128	8.6%	7.7%	-1.53%	2,208,635	8.4%	7.7%	2.94%	2,071,045	8.7%	7.7%	3.05%	2,376,300	8.2%	7.7%	3.10%	7.68%	5.45%	3.93%	3.28%
<i>Lehman Gov/Credit (1)</i>				-1.51%				2.53%				3.10%				3.01%	7.24%	6.00%	3.84%	3.24%
BBB Average Quality																				
Wells Capital (formerly Strong)	4,413,728	17.2%	17.1%	-0.31%	4,363,222	16.5%	17.1%	0.37%	4,104,319	17.3%	17.1%	1.98%	4,710,401	16.3%	17.1%	1.48%	3.55%	7.93%	3.04%	3.85%
<i>Lehman US Credit BAA</i>				0.11%				-1.05%				1.90%				1.67%	2.62%	7.54%	2.52%	3.59%
TOTAL DOMESTIC FIXED INCOME	14,553,261	56.6%	55.0%	-1.39%	14,496,068	54.9%	55.0%	-0.04%	13,786,886	58.1%	55.0%	1.96%	15,819,582	54.7%	55.0%	1.80%	2.32%	7.11%	3.89%	5.04%
<i>Lehman Aggregate (2)</i>				-1.02%				2.17%				3.00%				2.84%	7.12%	6.12%	4.09%	3.73%
CASH EQUIVALENTS																				
Bank of ND	2,656,655	10.3%	10.0%	0.49%	2,674,215	10.1%	10.0%	0.70%	1,697,622	7.2%	10.0%	0.96%	2,858,914	9.9%	10.0%	1.24%	3.43%	5.36%	4.10%	3.38%
<i>90 Day T-Bill</i>				0.31%				0.88%				1.05%				1.34%	3.63%	5.21%	4.27%	3.18%
TOTAL FIRE & TORNADO FUND	25,699,629	100.0%	100.0%	-1.23%	26,411,126	100.0%	100.0%	-3.40%	23,737,743	100.0%	100.0%	-0.16%	28,942,134	100.0%	100.0%	0.77%	-4.00%	12.45%	4.35%	5.92%
POLICY TARGET BENCHMARK				-1.03%				-2.38%				0.64%				1.92%	-0.90%	11.30%	5.01%	5.95%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.